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ABSTRACT

The 1999 Australian Survey of Employer Views on vocational education and training (VET) followed previous surveys in 1995 and 1997. The number of organizations employing recent VET graduates increased steadily over the last 5 years, from 63,000 in 1995 to 104,000 in 1997 to 117,000 in 1999. On the whole, employer views on VET were more positive in 1999. A larger proportion of employers in 1999 had recent graduate employees who received training with a private provider rather than a Technical and Further Education (TAFE) institute. Around 83% of employers of a recent VET graduate reported being satisfied or very satisfied with the VET system; 69 percent felt the VET system is providing graduates with skills appropriate to employers' needs; 74 percent believed training pays for itself through increased worker productivity; the reason for not having VET graduate employees cited by 48 percent of employers was that VET qualifications are not relevant to their industry; and 1 in 4 employers who had no VET graduate employees reported providing all their training requirements in-house. Among industries more satisfied with VET were communication services, agriculture, mining, government administration, and defense. Less satisfied industries were electricity, gas, and water; education; wholesale trade; and manufacturing. The main source of information about VET was industry associations. Employers with recent VET graduate employees were more likely to have regular contact with training providers. (YLB)

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AUSTRALIAN
VOCATIONAL EDUCATION & TRAINING

NCVER

statistics 1999

Survey of Employer Views on Vocational Education and Training

at a glance

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Highlights for 1999 include:

- Overall, around 83% of employers of a recent VET graduate reported being satisfied or very satisfied with the VET system.
- Just over two thirds of employers (69%) of a recent VET graduate held the view that the VET system is providing graduates with skills appropriate to employers' needs.
- Around three quarters (74%) of employers of a recent VET graduate held the view that training pays for itself through increased worker productivity.
- The reason for not having VET graduate employees most cited by employers (48%) was that VET qualifications are not relevant to their industry.
- One in four employers who had no VET graduate employees reported providing all their training requirements in-house.

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About the Survey

This report presents the results from the 1999 national Survey of Employer Views on vocational education and training (VET). This is the third survey of this nature with previous surveys conducted in 1995 and 1997. In the two earlier surveys, in-scope employers were defined as those with at least one employee who had completed a VET course of at least 200 hours within the two years prior to the survey (a recent VET graduate). This group was targeted again in the 1999 survey however, in addition, a sample of employers with no VET graduate employees was also surveyed.

The survey questionnaire for the 1997 and 1999 surveys has, in the main, remained consistent enabling comparisons between much of the data produced. In 1999 information for both groups of employers has been collected about their characteristics, general views on VET, training practices and their knowledge of VET. For employers with recent VET graduate employees, additional information has been collected about their views on the availability, relevance and quality of course delivery and graduates' skills.

The Survey of Employer Views on VET was a sample survey and provides estimates of the results which would be found if all employers in Australia had been interviewed. Because the employer survey estimates are based on information obtained from a sample of employers, an allowance for sampling variability should be made when using the results. Comparisons have been made in this publication where they are statistically significant at the 95% confidence level. Any figures which have a relative standard error greater than 25% have been marked with an * because estimates with sampling variability of this magnitude are not reliable for most practical purposes. More information on standard errors is provided on the last page of this publication in the technical notes section.

VET in context

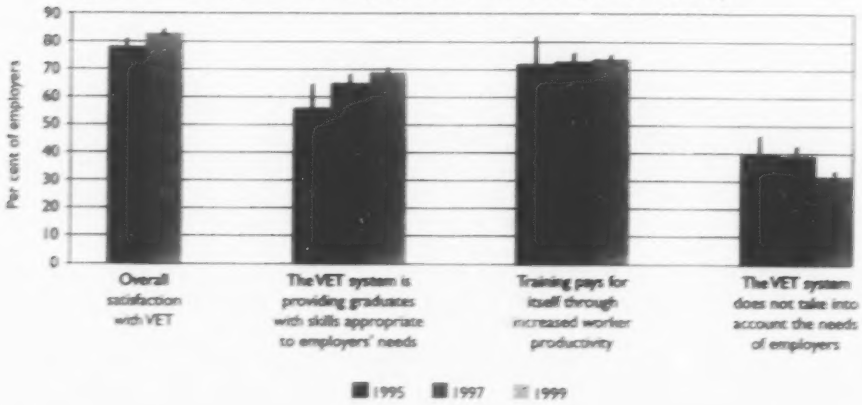
The vocational education and training (VET) system in Australia includes publicly and privately funded VET delivered by a wide range of training institutions and enterprises. VET can be on the job, off the job, online and through other flexible delivery methods. The sector has grown enormously over the past ten years, up almost 65%, to about 1.5 million students in VET in 1998[1]. The estimated total level of investment in training in 1998 was $8.5 billion and the government funded component of this was $3.7 billion[2].

Employer views on VET - change over time

Key indicators

The number of organisations employing recent VET graduates has steadily increased over the last five years. In 1995 the number was estimated to be 63,000, rising to approximately 104,000 in 1997 and up further in 1999, with some 117,000 employers with recent VET graduate employees. On the whole, employer views on VET are more positive now, as shown by some key indicators set out in figure 1. Data on employers' overall satisfaction with VET are available for only two surveys but show a slight increase in the number of employers who reported being satisfied or very satisfied with VET. Compared with 1995, a larger proportion of employers in 1999 agreed or strongly agreed that the VET system is providing graduates with skills appropriate to employers' needs, while the proportion who agreed, or strongly agreed, that training pays for itself through increased productivity has remained stable over the three surveys. Also positive, there has been a drop from 1997 to 1999 in the proportion of employers holding the view that the VET system does not take into account the needs of employers.

Figure 1: Selected key indicators of employers' views on VET, 1995, 1997 and 1999 (a)



(a) Standard error bars have been included on the figures in this publication and provide an indication of the variability associated with the estimate which has been produced. More information on standard errors is provided on the last page of this publication in the technical notes section.

[1] Australian Vocational Education & Training Statistics, 1998, NCVER.

[2] Australian National Training Authority National Report, 1998, Vol. 3

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Type of training provider

There has been a shift in the type of institution at which graduates have received their training. The shift shows a larger proportion of employers with recent VET graduate employees who received training with a private provider rather than a Technical and Further Education (TAFE) institute. In table 1 it can be seen that the extent of this shift varies across organisational size. Organisations with a small employment size show little change in graduates' training provider type. However, compared with 1997, there are smaller proportions of medium and large employment sized organisations with graduates from only TAFE and a growth in the proportions with only non-TAFE trained graduates. For example, in 1997 some three quarters (77%) of medium sized organisations had only TAFE graduates and this declined to a little over half (54%) with only TAFE graduates in 1999. From 1997 to 1999, the number of large organisations with only non-TAFE graduates rose from less than one in ten (7%) to slightly more than one in four (29%).

Table 1: Type of training provider for recent VET graduates, by organisation size, %, 1997 and 1999

	Organisation size (employees)							
	Small (1-19)		Medium (20-99)		Large (100 or more)		Total	
Training provider	1997	1999	1997	1999	1997	1999	1997	1999
Employers with only TAFE graduates	75	71	77	54	71	55	75	67
Employers with only non-TAFE graduates	17	23	12*	25	7*	29	16	24
Employers with both TAFE and non-TAFE graduates	5*	3	8*	11	18	11	6	6
Can't say	3*	3	4*	9	4*	6	3	4
Total	100	100	100	100	100	100	100	100

Employers' general views on VET

Employers' views on VET were obtained from their level of agreement with a series of statements posed during the interview (see table 2 below). Responses generally indicated positive views on VET, although some areas were identified as needing improvement. There were also some differences in views between those employers who had recent VET graduate employees and employers who had no VET graduate employees at all.

Table 2: Employer views on VET, % agree or strongly agree

Series of Statements	Employers with recent VET graduate employees	Employers with no VET graduate employees
It is more cost-effective to recruit trained people than to train people on the job	48	48
On-the-job skills are more useful than skills obtained through formal education	66	74
The VET system is providing graduates with skills appropriate to employers' needs	69	41
Training pays for itself through increased worker productivity	74	68
The VET system needs to provide more practical job skills	77	79
Employers should have more input into course content	81	81
The VET system does not take into account the needs of employers	32	40
It is difficult to tell what a person can actually do from their educational qualifications	68	86
Qualifications should be based on what the person can actually do, rather than how many years of training they have completed	82	84
There should be more work experience or work placements as part of vocational training	85	86

On the positive side, most employers (74% and 68%) agreed that training pays for itself through increased worker productivity and around a third (32% and 40%) of employers believed that the VET system does not take into account the needs of employers. There appears to be an overall difference of opinion between the two groups of employer on whether the VET system is providing graduates with skills appropriate to employers' needs, however, it should be noted that some 37% of employers with no VET graduate employees were unable to give a view on this.

Areas viewed less favourably by employers were that there should be more work experience or work placements as part of vocational training (85% and 86% respectively, for the two employer types, agreed with this) and the VET system needs to provide more practical job skills, with at least three quarters (77% and 79%) of employers agreeing with this. A large proportion of employers (81% for both groups) felt that employers should have more input into course content.

Employers VET graduate

Australia

The estimated resident population of Australia is around 19 million with some 59% living in the eight state and territory capital cities. Results of the 1999 Survey of Employer Views on VET include:

- 83% indicated they were very satisfied or satisfied with the VET system
- 74% strongly agreed or agreed that training pays for itself through increased worker productivity
- 69% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 73% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

(a) Note, caution should be exercised when comparing state/territory information as each jurisdiction has different economic, demographic and social profiles. These factors are likely to have an impact on a range of the employer views reported. For more information, see the technical notes on the last page of this publication.

Northern Territory (a)

The Northern Territory has 1.0% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 85% indicated they were very satisfied or satisfied with the VET system
- 81% strongly agreed or agreed that training pays for itself through increased worker productivity
- 76% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 80% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

Western Australia (a)

Western Australia has 9.8% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 82% indicated they were very satisfied or satisfied with the VET system
- 74% strongly agreed or agreed that training pays for itself through increased worker productivity
- 70% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 73% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

South Australia (a)

South Australia has 7.9% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 87% indicated they were very satisfied or satisfied with the VET system
- 72% strongly agreed or agreed that training pays for itself through increased worker productivity
- 63% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 78% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

with recent employees

Queensland (a)

Queensland has 18.5% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 82% indicated they were very satisfied or satisfied with the VET system
- 69% strongly agreed or agreed that training pays for itself through increased worker productivity
- 71% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 69% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

New South Wales (a)

New South Wales has 33.8% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 87% indicated they were very satisfied or satisfied with the VET system
- 76% strongly agreed or agreed that training pays for itself through increased worker productivity
- 73% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 70% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

Australian Capital Territory (a)

The Australian Capital Territory has 1.6% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 86% indicated they were very satisfied or satisfied with the VET system
- 73% strongly agreed or agreed that training pays for itself through increased worker productivity
- 72% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 81% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

Victoria (a)

Victoria has 24.9% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 77% indicated they were very satisfied or satisfied with the VET system
- 77% strongly agreed or agreed that training pays for itself through increased worker productivity
- 64% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 76% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

Tasmania (a)

Tasmania has 2.5% of Australia's population. Results of the 1999 Survey of Employer Views on VET include:

- 74% indicated they were very satisfied or satisfied with the VET system
- 65% strongly agreed or agreed that training pays for itself through increased worker productivity
- 64% strongly agreed or agreed that the VET system is providing graduates with skills appropriate to employers' needs
- 71% indicated they had subsidised the cost of, or provided paid time off work for, an employee to attend training in the last 12 months.

Employers with a recent VET graduate employee

Table 3: Employers very satisfied to satisfied with VET by industry

Industry	% satisfied to very satisfied
Agriculture	94
Mining	91
Manufacturing	75
Electricity, gas, water	56
Construction	81
Wholesale trade	72
Retail trade	86
Accom./cafes/restaurants	86
Transport/storage	90
Communication services	97
Finance/insurance	83
Property/business services	87
Gov't. admin./defence	91
Education	70
Health/community services	78
Culture/recreation services	83
Personal/other services	89
Total	83

Table 4: Employers with at least one recent VET graduate who finished their course after commencing their current employment

Service Aspects	% rating aspect highest priority
Relevance of course content	27
Teacher ability	10
Flexibility in the course delivery	9
Course balance between theory and practice	9
Level of communication about course development	5
Teacher industry experience	5
Graduates' work ethic	5
Standard of equipment and facilities	3
Graduates' ability to work and cope with setbacks without supervision	3
Appropriateness of the assessment process	3
Level of graduates' work skills compared to non-graduates with similar work experience	3
Value for money of the training investment	3
Availability of information on courses & subjects	2
Can't say	13

Overall Employer Satisfaction with VET

Table 3 shows the percentage of employers in each industry who indicated they were either satisfied or very satisfied with VET.

Among the more satisfied industries were:

- communication services (97%)
- agriculture (94%)
- mining (91%)
- government administration, defence (91%)

Among the less satisfied industries were:

- electricity, gas and water (56%)
- education (70%)
- wholesale trade (72%)
- manufacturing (75%)

Highest priority aspect for improvement

The 1999 survey focuses on the difference between those employers with direct experience of vocational education and training and others. Employers with recent VET graduates were divided into two groups based on whether they had contact with these graduates during their course. This was determined by whether the graduate(s) had completed their training before, or after they commenced their current employment. Employers with at least one graduate who completed their course after commencing employment with them, were asked for their views on the training course and graduates' skills. Employers who had no graduates who completed their course after being employed with them were asked for their views on their graduates' skills, only.

Tables 4 and 5 show which aspects of VET delivery employers believe were most in need of improvement.

- Of the employers asked about graduates' courses and skills, most focused on course related aspects of service, with the aspect deemed to be most in need of improvement being 'relevance of course content'. When asked to rate this aspect of service, around half viewed it as directly relevant (40%), or at the leading edge (11%).
- Of the employers asked about graduates' skills only, the aspect deemed to be most in need of improvement was graduates' ability to work and cope with setbacks without supervision. However, a third of these employers viewed their graduates as able to work 'virtually unsupervised and prepared to take ownership of the job and any problems'.

Table 5: Employers with recent VET graduates, all of whom, finished their course before commencing their current employment

Service Aspects	% rating aspect highest priority
Graduates' ability to work and cope with setbacks without supervision	32
Graduates' work ethic	22
Level of graduates' work skills compared to non-graduates with similar work experience	22
Value for money of the training investment	10
Can't say	15

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Employers without VET graduate employees

Employers with no VET graduate employees were asked the reasons their organisation did not employ any. Some employers gave more than one reason. Table 6 shows that almost half these employers believe VET qualifications are not relevant to their industry and just over a quarter meet all their own training requirements through in-house courses. Overall in the survey, approximately 41% of employers with no VET graduates provided some in-house training for their employees.

Table 6: Reasons for not employing VET graduates, %

These qualifications are not relevant to our industry (eg, Law Firm)	48
All our training requirements are provided in-house	27
Fully qualified people not required, staff attend only the modules relevant to our operations	15
Have staff currently studying for such qualifications	12
Not aware of training available to suit our requirements	4
We have not been happy with the quality of VET qualifications	2
Other	10
Don't know	4

Selected training practices and VET knowledge

Employer provided training

Employers with recent VET graduates were more likely to have subsidised or paid for employees' training in the 12 months prior to the survey. Employers were asked about in-house training, that is, organised by the employer using their own staff or training consultants and they were asked about external training, that is, organised and conducted at venues outside the workplace by training/educational establishments, or private consultants. Both, employers with recent VET graduates and those with no VET graduates, tended to provide more external training than in-house training. The employment size of the organisation was not a factor in the provision of external training, or in-house training.

Figure 2: Employers who subsidised or paid for employees' training by business size and type of training

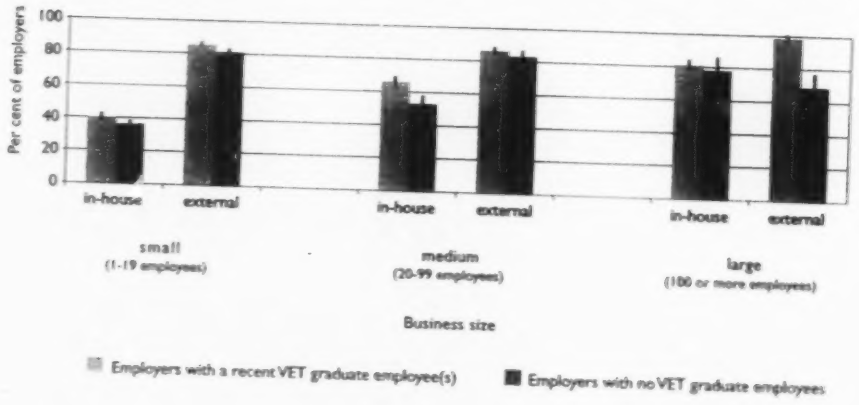

Table 7: Main Source of information on VET and skill developments, %

Main source	Employers with recent VET graduate(s)	Employers with no VET graduates
TAFE	28	12
Government training departments/authorities	9	5
Industry associations	38	36
Other	9	15
No main source	16	29

Main information source

Table 7, employers' main source of information about VET and skills development, shows both groups of employer have similar usage of industry associations with just over one in three employers (38% and 36%) reporting this as their main source.

TAFE was the main source of information for over a quarter of employers with recent VET graduates (28%) compared with around 12% of employers with no VET graduate employees. Employers with no VET graduate employees were more likely to have no main source, with over a quarter (29%) reporting this.

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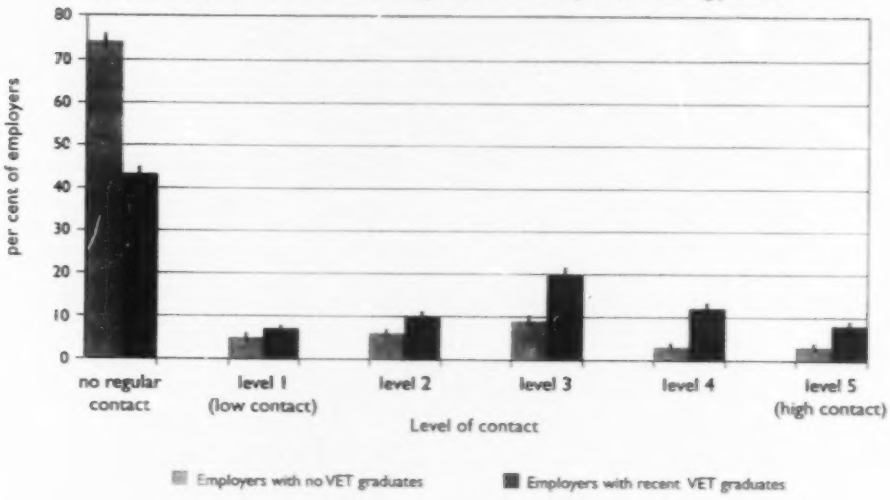
Employer contact with training providers

Employers were asked whether they had regular contact with training providers and, if so, to rate their level of contact on a 5 point scale, where 1 equated to minimal contact, and 5 equated to a high level of contact.

As could be expected, employers with recent VET graduate employees were more likely to have regular contact with training providers, although some 43% reported not having regular contact. Just under three quarters (74%) of employers with no VET graduate employees reported having no regular contact, although similar (small) proportions of each of these two employer groups reported having some regular, but minimal, contact.

Figure 3: Employers' contact with TAFE colleges or other industry relevant training providers



Technical notes on the survey

The Survey of Employer Views on VET was a sample survey. The survey provides estimates of the results that would be found if all employers in Australia had been interviewed. As the employer survey estimates are based on information obtained only from a sample of employers, an allowance for sampling variability should be made when using the results.

Sampling variability can be measured by the standard error which indicates the extent to which an estimate might have varied by chance because only a sample of employers was included. There are about two chances in three that a sample estimate will differ by less than one standard error and about 19 chances in 20 that the difference will be less than two standard errors.

Another measure of sampling variability is the relative standard error which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling and avoids the need to refer also to the size of the estimate. Unless marked with an * the estimates in this publication have a relative standard error of less than 25%.

In terms of confidence intervals, we can be 95% confident that the true percentage value lies within two standard errors of the estimated percentage. For example, in figure 3 above, the line at the end of each bar (confidence interval line) shows the range for two standard errors. These confidence interval lines can also be used to determine whether there are statistically significant differences among values. In general, values with confidence interval lines that do not overlap indicate a significant difference exists at the 95% confidence level (for example, 'no regular contact' in figure 3).

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